



**THE IMPACT OF WORK–LIFE BALANCE, COMPENSATION,
CAREER DEVELOPMENT, AND WORK ENVIRONMENT ON THE
RETENTION OF GENERATION Z EMPLOYEES**

THESIS

**Submitted as one of the requirements to obtain
Magister Manajemen**

By

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ABSTRACT

In today's business scenario, retention of employees is seen as the main sustainability challenge for organizations, especially in highly competitive industries with rapidly moving workforces. The present study attempts to assess Work-Life Balance, Career Development, Compensation, and Work Environment on Employee Retention at PT XYZ. A quantitative research approach was employed, collecting data from as many as 100 respondents selected based on predetermined criteria. The data were then analyzed through Structural Equation Modeling (SEM), using the SmartPLS version 4.0. The testing results in the measuring model confirm that all indicators passed the screening for validity and reliability as reflected in the values of Average Variance Extracted (AVE), Composite Reliability, Cronbach's Alpha, and Variance Inflation Factor. Moreover, the R-Square value for Employee Retention stood at 0.637, meaning that a 63.7 percent variance can be explained by the four independent variables. This shows that the model really explains quite well the phenomena that were investigated.

From these findings, it is evident that the factors of Work-Life Balance, Career Development, Compensation, and Work Environment positively impact Employee Retention. Among the factors, Compensation and Career Development are considered the most prominent. These results signal to organizations the need for adequate rewarding their employees, providing them with clear career paths, offering supportive working environment, and maintaining a balance between professional and personal life so that employee loyalty can be encouraged. This paper adds to the extant literature by drawing empirical evidence on the strategies that help in retaining employees and further providing suggestions to organizations that want to fortify their Human Resource Management.

Keywords: Work-Life Balance; Career Development; Compensation; Work Environment; Employee Retention; SmartPLS

ABSTRAK

Dalam dinamika bisnis modern, retensi karyawan menjadi salah satu tantangan utama yang menentukan keberlanjutan organisasi, terutama pada industri yang kompetitif dengan tingkat mobilitas tenaga kerja yang tinggi. Penelitian ini bertujuan untuk menganalisis pengaruh Work-Life Balance, Pengembangan Karier, Kompensasi, dan Lingkungan Kerja terhadap Retensi Karyawan di PT XYZ. Penelitian menggunakan pendekatan kuantitatif dengan menyebarkan kuesioner kepada 100 responden yang dipilih melalui kriteria tertentu. Data dianalisis menggunakan metode Structural Equation Modeling (SEM) berbantuan perangkat lunak SmartPLS versi 4.0.

Dalam penelitian ini menunjukkan bahwa hasil pengujian model pengukuran menunjukkan bahwa seluruh indikator memenuhi syarat validitas dan reliabilitas, tercermin dari nilai Average Variance Extracted (AVE), Composite Reliability, Cronbach's Alpha, serta Variance Inflation Factor (VIF). Nilai R-Square sebesar 0,637 mengindikasikan bahwa 63,7% varians Retensi Karyawan dapat dijelaskan oleh keempat variabel independen. Temuan ini menunjukkan bahwa model yang digunakan cukup baik dalam menjelaskan fenomena penelitian.

Secara lebih rinci, hasil penelitian membuktikan bahwa Work-Life Balance, Pengembangan Karier, Kompensasi, dan Lingkungan Kerja berpengaruh positif terhadap Retensi Karyawan. Di antara variabel tersebut, Kompensasi dan Pengembangan Karier muncul sebagai faktor paling dominan. Implikasi praktis penelitian ini menegaskan pentingnya organisasi dalam memberikan kompensasi yang adil, menyediakan jalur karier yang jelas, menciptakan lingkungan kerja yang mendukung, serta menjaga keseimbangan antara pekerjaan dan kehidupan pribadi agar loyalitas karyawan dapat ditingkatkan. Penelitian ini juga berkontribusi pada pengembangan literatur akademis dengan memberikan bukti empiris serta rekomendasi strategis bagi penguatan praktik Manajemen Sumber Daya Manusia.

Kata kunci: Work-Life Balance; Pengembangan Karier; Kompensasi; Lingkungan Kerja; Retensi Karyawan; SmartPLS

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